

Making a Difference

Highlights of our activities and outcomes following stakeholder engagement

Ofgem Electricity Distribution Stakeholder Engagement and Consumer Vulnerability Incentive Scheme 2016–17
Part Two

"They are very progressive and do listen to stakeholders and customers. They go out of their way to ensure they give good customer service."

Distribution Stakeholder Survey 2017



**SP ENERGY
NETWORKS**

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This is SP Energy Networks' Distribution Part Two submission to Ofgem's Stakeholder Engagement & Consumer Vulnerability (SECV) Incentive for the regulatory year 2016-17.

SP Energy Networks is the Distribution and Transmission Network Operator that delivers electricity to homes and businesses in Central and Southern Scotland, Merseyside, Cheshire, North Wales and North Shropshire.

Ofgem's annual SECV Incentive encourages Distribution Network Operators (DNOs) and Transmission Operators (TOs) to 'engage proactively with stakeholders in order to anticipate their needs and deliver a consumer focused, socially responsible and sustainable energy service'.

This year, we have restructured our submission to demonstrate the direct relationship between our stakeholder engagement strategy and our strategic priorities as a business, and the breadth and depth of the ways that engagement is helping how we deliver against these priorities.

Our Distribution submission is made up of three parts:

Part One: Our strategies for stakeholder engagement and consumer vulnerability, demonstrating that we meet Ofgem's minimum requirements.

Part Two: Highlights of our activities and outcomes following stakeholder engagement, demonstrating our strong performance improvements year on year.

Part Three: Our strategies and outputs for consumer vulnerability, demonstrating our strong consumer vulnerability credentials.

9% more people know who we are and what we do, and 8% more know to call us in a power cut compared to 2015-16.

Everyone's job – Engagement fully embedded with 72 senior managers and staff owning plans and all staff responsible for effective engagement.

Over 120 partnerships collaborating to deliver safety, priority services and awareness messages to hard-to-reach and future stakeholders

First DNO to consult on our vision for transition to system operator and the market reform necessary to make this a reality

16 panels held, reaching over 100 stakeholders – 65 feedback actions taken

5 of our most important strategies and policies revised in response to stakeholder engagement

439 engagements delivering 196 key pieces of feedback and actionable outcomes

We're leading the way on the issues that really matter. And from our day to day operations now, to tomorrow's world, our stakeholders are with us every step of the way.

Our stakeholder engagement model has always been strong, but we've taken bold steps to strengthen it even further. Now it's firmly imprinted in our DNA, and stretches throughout our entire business.

It's made us even more innovative and effective in ensuring stakeholders aren't just boxes waiting to be ticked. Their voices are acted upon, driving us forward every step of the way.

Their input helps make us who we are – and there's a lot that makes us unique.

We're the only operator with networks in Scotland, England and Wales, with three distinct governments to engage with, dozens of local authorities, customers in challenging rural landscapes and congested city centres.

We might not shout about it much, but we go the extra mile for our customers. When we're not helping in ways that go beyond the typical energy business remit or engaging with individual customers through social

media, we're looking to the future. Already experienced in working alongside renewable energy providers, we're now leading the way on the journey to becoming a Distribution System Operator (DSO).

All of this is underpinned by our integrity, openness and relentless determination to not simply pay lip service to our stakeholders' opinions, but to place them, their opinions and expertise right at the centre of what we do.



Frank Mitchell
CEO of SP Energy Networks



Highlights of some key outputs

Safety	Access to a network of 16 full time community officers in North Wales who are entirely focused on building and maintaining strong community links. We now reach every school in North Wales... that's 40,000 children and their families.
Community	75% of all Welsh Govt funded community projects were connected within our area in 2016–17. 60 engagements benefiting 26 community energy projects.
Smart energy future	Accelerated industry discussion on policy and business transformation to support the transition to the smarter DSO network of the future. Led the industry by producing bespoke training videos to raise awareness and drive positive behaviours amongst SMART meter installers to correctly identify and manage particular earthing arrangements and cut out types.

Keeping the lights on

Worked with **42 protected organisations** to revise resilience plans. We updated our list to prioritise supply to those who would need it most.

Skills and sustainability

Over **1,000** mock interviews delivered to high school pupils.

Comprehensive sustainability strategy driven by our stakeholders and panels **positions us as industry leaders**.

Customer service

Ground-breaking optical illusion graffiti artwork at 4 high public football sites in Scotland, England and Wales to raise public awareness.

2.2m views for our online power cut and vulnerability messages on health, local authority, travel and news sites, targeted to get to hard to reach customers.

Awareness materials supplied to over **10k** targeted GP surgeries, pharmacies, local businesses & community centres plus **420** packs to politicians and vulnerable partner agencies in both English and Welsh languages.



Awards and recognition

Winners of Customer Care Award at the 2016 Utility Week Awards.

Customer benchmarking study with Institute of Customer Service shows our overall score of **82.9** exceeds the UK average of **77.4**. We achieved first place among all ranked utilities – the average UK utility score is **73.3**. We're in the upper quartile of the top 100 UK index, **above Apple (29) and Mercedes-Benz (37)**.

Achieved **best score ever** for Ofgem's Environmental Discretionary Award.

2016 **£15.6m** Electricity Network Innovation Competition funding was **nearly half the total awarded** to all distribution and transmission operators combined.

Winners of 4 industry awards for customer care, innovation and major infrastructure projects and **shortlisted for 16**.

DNV GL Independent Opinion Statement Conclusion 2017

In 2016–17, we continued to observe improvements in SPEN's approach to stakeholder engagement. The business continued to evolve and make progress on its stakeholder engagement strategy, which has resulted in it being more embedded across the organisation. Moreover, through our interviews with SPEN we consistently noted that stakeholder engagement was considered a key activity for the business.

In our interviews we continued to note senior management support for stakeholder engagement across the company, which they consider a core business value and integral to the way SPEN do business.

The establishment of the Transmission stakeholder panel has been a notable event in 2016–17, it has enabled engagement with

Transmission stakeholders on specific topics and issues that were not previously being covered by other panels. Overall, we observed that the topics discussed at both Transmission and Distribution panels were aligned with strategic business issues.

The implementation and roll-out of SPEN's stakeholder engagement database system, has improved the operational management of stakeholder engagement. This includes oversight and visibility of information to business owners (including stakeholder prioritisation), which resulted in a positive reception and high use of the system.

In our full statement we make a number of recommendations that should be considered by SPEN to help further improved stakeholder engagement activities.

Our strategy

The aim of our stakeholder engagement strategy is simple: to understand what our stakeholders need and to deliver it in a sustainable way. We aim to continually improve how we engage with stakeholders across all aspects of our business – in order to identify and realise opportunities to inform, understand, problem-solve, plan and deliver better against our vision as a business. We have a simple framework that allows stakeholders to influence, guide and steer our business to provide a resilient and sustainable service for all. **See Part 1 of this submission for a full summary of our strategy.**



We have confidence our strategy is delivering benefits

Every year we ask DNV GL to conduct an independent review of our Stakeholder Engagement strategy using AA1000SES. This process involves DNV GL reviewing evidence of our strategy being embedded in the business, including attending a panel meeting, interviewing our CEO, Directors and a selection of senior managers and stakeholders. **Opinion statement featured on page 1.**

What makes our strategy work?

It's built on a strong structure of responsibility, ownership and governance.

Embedded engagement responsibility:

Since 2015, we have had dedicated stakeholder engagement roles embedded in each of our licence areas. These teams lead the delivery of consistently excellent customer service and stakeholder engagement, both internally and externally, across each licence. These individuals develop annual plans at a licence level, in line with business aims and customer satisfaction strategies, including informing, consulting and involving stakeholders where relevant and evaluating the effectiveness of these strategies. On top of our licence-specific engagement managers and their teams, senior managers from across the business have delegated responsibility for licence and topic-specific engagement plans.

14 engagement plans: Our 14 licence and topic-specific engagement plans - each owned and managed by a senior manager - enable us to identify all of our strategic issues and risks, map stakeholders in terms of their interest and influence, and plan and carry out tailored engagement that meets the needs of our stakeholders. This helps us to deliver tangible responses to the most material strategic issues and risks.



What is different about us?

Our strategy is fully embedded into our organisation with 72 senior managers and staff owning plans and responsibility for engagement. We are the first network operator to fully embed a new stakeholder engagement management system into our business. This system, Tractivity, allows full visibility across our whole business – with data at our fingertips it ensures every aspect of engagement planning, delivery, tracking and reporting is more efficient, joined-up, and is entirely evidence-based, carrying out tailored engagement with confidence. **We don't just manage our customer contact, we manage the entire stakeholder process including feedback loop and actions.**

Our panels are providing industry-leading levels of strategic challenge and insight. At the start of our journey in 2013 we found that on its own, a consumer conference approach would tick a few boxes, but could only take us so far. The depth of expertise and collaboration in our Panels is taking us to a different level. For example, this approach is challenging us to take the lead in the industry transition towards a new Distribution System Operator model (DSO) and helping us to navigate our own journey towards this.

Governance: Our governance structure ensures that our engagement is firmly embedded in all parts of our organisation. At the core of this is our monthly Internal Stakeholder Action Group (ISAG) – facilitating the sharing of our engagement feedback and learnings between our 14 licence and topic engagement programmes.

Our strong strategy is embedded in our organisation at all levels

We have a comprehensive strategy, which has grown in strength and maturity over the last 4 years.

We deliver it with passion, belief and strong executive leadership, invested in engagement being at the core of our activities.

It embeds responsibility for engagement deep into the business. That is what is unique about us – we don't centralise our engagement.

Our strategy keeps us focused on the right things – our strategic priorities and the priorities of our stakeholders – and we design our engagement around this.

Our comprehensive engagement plans:

Licence

SPD licence strategic
(inc. Connections, Supply Chain and Community)

SPM licence strategic
(inc. Connections, Supply Chain and Community)

SPT licence strategic
(inc. Supply Chain and Community)

SPT licence connections

Topic

Core engagement (new)

Customer and emergency preparedness

Future networks

Land and planning

Public safety

Recruitment

Regulator, policy and market reform (updated)

Smart metering

Social issues & vulnerability

Sustainability

Keeping our focus on the right things

Our engagement is in step with our priorities as a business

We plan our engagement with the goal of delivering the benefits our customers and stakeholders value most. **We don't make assumptions about what they value – we ask them.** And we repeat this exercise every year because we recognise that priorities change, relatively and absolutely. Our ED1 Business Plan was built on this foundation, and so is our engagement strategy.

The priority areas that our customers and stakeholders value the most	Score/ranking in 2017 stakeholder survey	
Keeping the lights on	9.4/10	← →
Customer service	9.0/10	↑
Collaboration for community growth	8.6/10	↑
Skills and sustainability	8.1/10	↑
Smart energy future	8.1/10	↑
Safety	7.8/10	↑

Set by stakeholders through extensive engagement at the start of RIIO-ED1, our priorities are ranked, refined and updated by stakeholders through our annual surveys.

The combined impact of individual, embedded engagement plans delivers measurable benefits across ALL of these priorities.

For the purposes of this submission, we've summarised these priorities up into six key areas.

Three other key priorities are incentivised through different Ofgem mechanisms and are therefore not included in Part 2:

- Consumer Vulnerability (see Part 3)
- Connections
- Innovation

Hugely embedded in our business

We know from best practice sharing and benchmarking that we have one of the most embedded models for engaging with stakeholders and we are really proud of it. Our strategy is not to engage as a central team with a small group of stakeholders on limited topics with predetermined outcomes, but to use an holistic approach embedded across our entire business. Stakeholder engagement is everyone's job. Our 14 senior manager-owned engagement plans and robust governance structure have led to 439 engagements with stakeholders in the last regulatory year. **We have significant confidence in this approach, with our stakeholders rating us 8.1/10 for engagement for the second year running.**

Core engagement to guide and support our 14 individual plans – and find new channels for dialogue

In addition to our embedded engagement across the business, we run a centralised core engagement programme – which ensures appropriate channels are used to engage with a broad range of stakeholders with focus on getting to 'hard to reach', and challenging groups. In 2017 we are adding new Stakeholder Conferences, new subgroups and working groups. In response to stakeholder feedback, we've also launched a new innovative online community to encourage ongoing discussion.

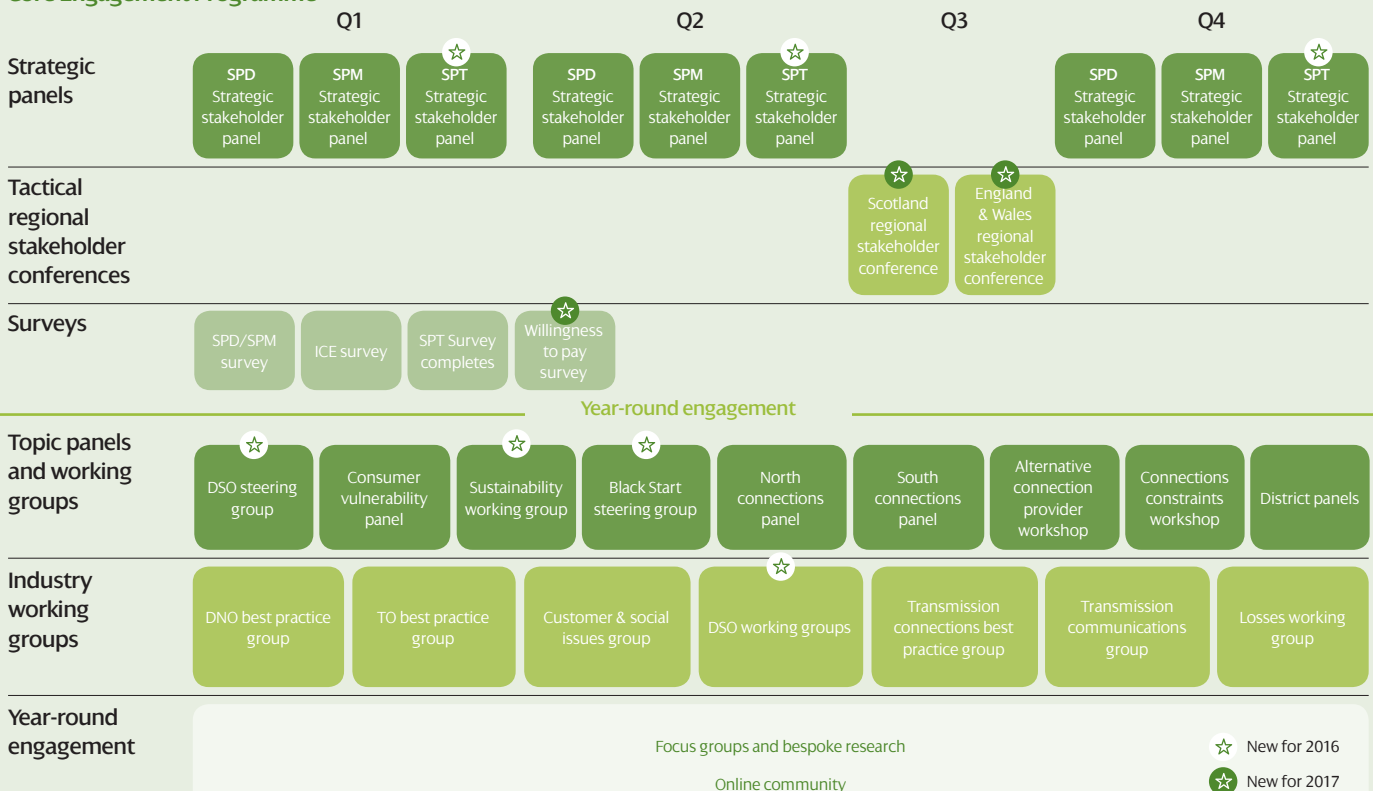
Strategic panel topics this year

- Transition to Distribution System Operator
- Our position on sustainability
- Business resilience
- Equal access to employment and education
- ED1 Delivery
- Approach to customer vulnerability

63 actions taken and over 30 outcomes delivered from SPD and SPM Strategic Panels in 2016–17.



Core Engagement Programme



Strategic Priority: Safety

When something is done really well – like our commitment to safety – it's easy to take it for granted. But maintaining high standards involves a wide range on ongoing engagement with stakeholders. A particular focus for new engagement this year has been getting effective safety messages to hard-to-reach, but “at risk”, groups.



Getting safety messages into the heart of North Wales

A large number of overhead lines on rural land and frequent bad weather creates challenges in North Wales. Educating young people about the dangers is vital, but limited resources mean we can't always get to everyone that our stakeholders want. We needed an exciting team with strong community links to help deliver our engagement.

What did we do?

Partnership: Rugby and Wales go hand in hand. Our local engagement revealed an extensive community rugby programme in North Wales. We realised that we could tap into it to deliver important messages to the community.

Innovative Leverage: Set up a 3 year partnership with Rygbi Gogledd Cymru (RGC) and the Wales U20s National Rugby Team to extend our schools safety engagement into a grass-roots programme.

Community Officers: Rugby community officers in 20 schools and over 40 local clubs help deliver key messages to an already engaged audience.

What is the partnership delivering?

Collaboration with a recognised and trusted partner lets us reach deep into the heart of North Wales. It's not only about delivering safety messages to school children, we are using this as a launch pad for sharing messages on strategic priorities, such as the STEM agenda, recruitment and importantly, local investment work.

What does this mean in numbers?

We now reach every school in North Wales... that's 40,000 children and their families, including access to “Lunchbox Friday”, when important information is sent home in every pupils' schoolbag.

Access to a network of 16 full time community officers who are entirely focused on building and maintaining strong community links.

Local visibility has led to an 11% increase in applications for our apprenticeship programme.

We reach 6k spectators with our messages – 200k for televised matches – with pitch side ads and staff presence. SPEN branded RGC and U20s National Rugby Team shirts increases awareness of us and what we do.

Cultivating partnerships to target 'hard to reach' and future stakeholders

During 2015, there were 34 potentially lethal incidents of farm machinery striking overhead lines in our areas. **Young farmers working with large equipment are particularly hard for us to reach. They are also the landowners of the future.**

How did we engage?

District panel: Discussions led to an innovative partnership with Scottish Association of Young Farmers Clubs (SAYFC).

Partnership: SAYFC helped us reach the farming community, enabling us to spread our safety message and explain our role.

Reaching out: Used partnership to highlight career opportunities and connect with farmers whose land we may need to access for work now, or in the future.

What is the partnership delivering?

We have positioned ourselves at the heart of the farming community. Our innovative partnership means we are delivering vital safety messages and forging strong relationships with this influential group of future stakeholders.

What does this mean in numbers?

HSE methodology values a fatality associated with a workplace accident at £1.5m. 34 potential fatalities carries a risk of £50m. **Our engagement is lowering this risk materially by actively reducing this value by £23m.**

Our data shows a 46% fall in safety incidents on agricultural land in 2016. Anecdotal evidence also shows that if a cable strike does happen, a greater number of people now know what to do.

Our safety presentation to the Rural and Agricultural conference has reached 3500 young farmers and 80 regional clubs in Scotland.

>18k viewers and >100 reactions to our social media video explaining how to 'bunny hop' to safety from a power line collision. >83k reach from 'likes and shares' to our 12 joint SAYFC social media competitions and posts.

What's next?

Extending this best practice approach to Welsh Young Farmers. Co-locating stand with SAYFC at Royal Highland Show to increase our reach.

Our young farmer's model is best practice and could be replicated by all other DNOs.

And that's not all...

We held a safety stand-down for >100 broadband company employees after noticing a leap in cable strikes linked with the installation of broadband cables in Ayrshire. We've since seen a dramatic reduction in incidents.

Worked with Cheshire Fire & Rescue to install a mock substation and overhead line at a new community safety centre. We developed a joint Candle Safety Week social media campaign, which led to an innovative 360° Christmas Electrical Safety Video. It was shared by key partners, receiving 107 reactions and total reach of over 11k.



Strategic Priority: Collaboration for community growth

Our stakeholders want it to be as simple as possible to connect renewable generation and new business or housing developments to our network. We collaborate with community energy projects, local

developers and authorities to understand their needs. Then we offer innovative solutions to guide them through the process and make our network ready to support their planned developments.

Connecting community energy projects to our network

Community energy is a fast-growing sector as communities seek to gain benefit from their local energy resources. Our stakeholders want us to bridge experience gaps, remove barriers and give support to make these projects a success. The foundations we have built over recent years have directly benefited 26 community projects this year, and helped inform many more.

What did we do?

Community energy days: 3rd year of joint information days with local authorities, materials tailored to each area – 5 days delivered this year alone.

District engagement: Assisting communities to connect & helping them negotiate complicated charging methodology with Ofgem.

Engaging and presenting: at joint DNO National Community Energy days, Community Energy Wales conference, Smarter Energy Wales conference, ENA Distributed Generation Forum and our own Connections Panel, DG Constraints workshops and District Days.

Welsh Government: Working with the Welsh government to develop and deliver community energy schemes. Hosted seven members of the Welsh Government Committee for climate change and rural affairs at our joint Energy Local community energy project at Bethesda.

Growing relationship: We are also playing our part in the 'Sustainable Cumnock' pilot through our growing relationship with Scotland's Towns Partnership. Key stakeholders involved have discussed how we could assist in making Cumnock sustainable and potentially carbon neutral.

What were the outcomes?

75% of all Welsh Govt funded community projects were connected within our area in 2016–17.

60 engagements benefiting 26 community energy projects.

Dedicated community energy page provided on our website.

Around 180 community energy organisations and representatives at two joint DNO events. 100% were happy or very happy with these events.

Joint DNO community energy guide.

Scotland's Towns Partnership and Energy Local added to Strategic Stakeholder Panel to recognise importance of Community Energy.



Integrated Energy Planning in England, Scotland and Wales

Our stakeholders told us they want to know about our planned investments, and they are clear that our network cannot be a barrier to economic growth. We have built on existing knowledge and relationships, engaging proactively to understand local authority and business investment plans and to align our programmes to facilitate their investments right across our district model – reaching further than ever before.

What did we do?

Working together: All 11 districts now have regular, proactive engagement with all 32 local authorities to understand and align local development plans.

Business networks: 100% coverage membership of Chambers of Commerce, Enterprise Partnerships and Enterprise Zones to understand and align with local business needs. Involvement includes meetings, networking breakfasts, and sponsored awards.

Interactive investment maps: In response to stakeholder panel feedback and building on Northern Powergrid's best practice, we developed detailed maps showing all of our planned investment work, at all voltage levels.

Open Districts: regular district open days allowing drop ins, meeting with local authorities, connections customers and local businesses

Government: Membership of re-energising Wales steering group.

What were the outcomes?

Better aligned investment reduces timelines and costs for customers. For example, by proactively engaging to align our investment plans with North Lanarkshire regeneration plans, we discovered that a proposed housing development would not be economically viable without us making some changes to our planned investment. **We worked together to agree a solution, reducing the connection cost by £900k and enabling 2,000 instead of 500 connections.**

Collaborative working to align our investment with Liverpool development plans is resulting in the **release of 3MW of previously untapped capacity**, delaying the need for expensive network upgrades.

Interactive investment maps launched on our website, enabling customers to understand how our 2022 planned projects could align with or impact their plans.

Direct relationships with local business and enterprise groups help us to understand better how we can support growth and regeneration and gives us a longer-term view of the needs of local communities.



Strategic Priority: Customer service

If the power suddenly stops, customers need to what to do. Relentless advances in our awareness programmes and customer service processes are delivering improvements for all of our customers.

Knowing who to contact in a power cut

Over 50% of the UK population don't know who to contact in a power cut. We provide many services for customers. But for them to benefit, they've got to know how to get in touch.

What did we do?

Engagement: Strategic Stakeholder Panels, Pre and post-campaign customer surveys, and annual stakeholder surveys revealed a desire for more awareness of who we are and what we do.

Website: 8 focus groups looked at accessibility and usability. The site has undergone comprehensive redesign.

Single National Emergency Number (105): High profile launch and ongoing awareness campaigns.

What were the results?

Finalists in prestigious Utility Week awards for customer engagement – direct recognition for our innovative and far reaching campaigns.



What does this mean in numbers?

9% more people know who we are and what we do, and 8% more know to call us in a power cut.

2.2m views for our online power cut and vulnerability messages on health, local authority, travel and news sites, targeted to get to hard to reach customers.

Ground-breaking optical illusion graffiti artwork at 4 high public footfall sites in Scotland, England and Wales.

Power cut, and additional services packs supplied supplied to over 10k targeted GP surgeries, pharmacies, local businesses & community centres plus 420 packs to politicians and vulnerable partner agencies in both English and Welsh languages.

Innovative ad campaigns. 1,528 buses and 703 trains in targeted areas. 290k pay and display parking tickets issued with our messaging. 500k people reached from our advertising on Facebook and Instagram. 300k pharmacy bags distributed – this initiative is now being replicated by other DNOs.

Our new website's Customer Support pages entered our Top 10 viewed pages for first time – confirming the benefits of making it easier for customers to navigate to the pages they want to see first.

Innovative targeted 'pop-up' mobile 'Tabmo' advertising delivered 840k impressions and 26% downloads – Tabmo's highest ever return for any campaign.

New community van 'Basil Volty' visited 8 hotspot locations and every home in the area to provide information on our additional services, distributing power chargers for mobiles for use in a powercut.

Collaborative GB campaign for the new 105 number achieved >15% awareness. See joint DNO appendix for more information.



2.2m
views

for our targeted online power cut and vulnerability messages on health, local authority, travel and news sites.

Our awareness messages:

Who to call in a power cut – if customers know how to report a power cut we can support customers and fix it sooner.

How to sign up to the PSR – if vulnerable customers know how to sign up for additional support in a power cut we can look after them better.

How to access additional services – learning about the additional services we can offer through our network of partner agencies.



3D optical illusion graffiti campaign



Minimising disruption arising from network improvement works

Roadworks outside the house, power cut off – no-one wants that. But sometimes the work we do to improve the reliability of electricity supply creates temporary disruption. Customers told us that a letter or a sign often can't provide enough information. We knew there had to be a better way of keeping them informed of our planned work.

What did we do?

New process: We responded to customer feedback to create a new 'Pre-vetting' process. Staff visit a site before work starts to meet customers, determine likely disruption, identify vulnerability needs and confirm customer data.

Customer care pack: We create a tailored customer care plan for each project to determine the type and amount of communication and support required before, during and after.

Pilot: We knew a £9.5m programme to rebuild and refurbish overhead lines in Dumfries District would lead to power outages and disruption. **Using our new process, the project team was able to support affected customers from start to finish.**

What is this process delivering?

Our more thoughtfully targeted support gives customers greater depth of information and ease of contact with us.

And what does this mean in numbers?

Our pilot led to a significant increase in customer service ratings to 8.9/10 in the area.

It's now identified as best practice and is being rolled out in all 11 districts.

Shortlisted for a Utility Week Stars Award for changing our culture.

We have developed and carried out customer care plans for 129 projects, which have been well received by customers.

99k face-to-face customer pre-vet visits completed to date.



Positive feedback on our Pre-Vet process:

"My wife was impressed that they rang up to see if there was anybody elderly in the house or anyone that needed medical attention, it was beyond just the standard letter saying by the way we're cutting you off"

Strategic Priority: Keeping the lights on

Our stakeholders expect the lights to stay on, whatever the weather, regardless of any challenges we might face. They rank network reliability and emergency preparedness as our top priority – and this runs through many aspects of our engagement, from gaining access to land for maintenance and new lines through to working with partners to deploy temporary generators in an emergency. A particular focus for new engagement this year has been to build understanding of supply risks, and to strengthen mitigations to minimise disruption.

Network resilience in the evolving UK energy mix

Picture this: the power goes out across the country and there's a race to get it back on. National Grid and BEIS have a national emergency plan for such a 'Black Start' scenario. But as more renewables enter the energy landscape, this plan has to be updated. It would have been easy to see this as a Transmission issue, but we are now reaching beyond our formal role, ditching our labels and engaging with our Distribution stakeholders to raise awareness amongst those who would be impacted.

How did we engage?

Strategic and District Panels: Discussed how to help businesses develop more robust continuity plans, to cover an extended period without power.

Engagement plan: 51 different channels of active engagement logged in 2016/17 as part of our dedicated Emergency preparedness engagement plan.

Proactive contact: We contacted 100% of our protected customers to redevelop their business continuity plans for the rare event of an extended power outage.

Resilience Exercise: NW England local resilience forum, chaired by SPEN, explored 'What would happen if the lights went out'. 100+ delegates attended, with representatives from BEIS, DCLG, and observers from North Wales.

Partnerships: Worked with 27 local and national resilience groups through around 100 meetings to understand impacts and update resilience plans.

Government: Extensive engagement with UK/Scottish/Welsh govts to highlight the issues and advocate for our customers.

Black Start Steering Group: Expert internal group shaping our policies and communications to support the national black start strategy.

What is the engagement delivering?

We're helping to shape national, local and business resilience plans and encouraging a balanced energy portfolio. Our work with partners and customers leads to better understanding of impacts and enables the development of adequate continuity measures.

What are the outcomes?

17 stakeholder suggestions on how to help businesses understand and prepare for the possibility of power cuts and a black start scenario.

Worked with 42 protected customer organisations to revise resilience plans. Updated our list to prioritise supply to those who need it most.

From panel suggestion, 100% of our districts now have strong links with their local Chambers of Commerce and enterprise zones, creating a network to engage with businesses and develop plans.

13 main actions on business continuity, communication, multi-agency co-ordination and vulnerable people agreed following resilience exercise.

Successfully influenced Scottish & Welsh Government energy strategy to promote a balanced energy portfolio.



And that's not all...

We've signed the Armed Forces Covenant, supporting staff to become army reservists. **Our Strategic Stakeholder Panel suggested we use this new partnership to assist in our resilience planning.** We're now finalising arrangements to help the armed forces tow generators to vulnerable customers during bad weather.



Strategic Priority: Skills and sustainability

Making sure the power flows for years to come means careful planning today. What we do now to attract tomorrow's workforce and work sustainably ensures we can continue to operate at the highest level well into the future.

Stakeholder-driven sustainability

No UK networks company is playing a bigger role in the low carbon transition than SPEN. We are committed to promoting sustainability in its fullest sense, recognising it as encompassing more than environmental concerns alone. We engaged with our strategic panels before and during the development of our Sustainability Strategy. Our panels encouraged us to set bold environmental, societal and economic targets, aiming for a leadership position in the sustainability agenda.

What did we do?

Setting the strategy: Best-practice engagement with Strategic Stakeholder Panels at concept-stage to evaluate Government future scenarios and test our positioning. **The ability to collaborate with an informed and select senior group of stakeholders at this early stage has delivered considerable benefits, guiding our entire approach.** Members encouraged us to develop a strategy positioning us as industry leaders in sustainability.

Internal steering group: Took the feedback from panels and converted this into a new comprehensive and ambitious strategy to guide our own actions.

Sustainability working group: Tactical external group, formed to develop the detailed plans and targets for sustainability based on the successful Social Obligations Working Group.

Leading the industry: Leveraging SPEN's industry leading sustainability credentials (**highest ever leadership score in Environmental Discretionary Reward**) to push for broadening of current ENA Environment Working Group to increase collaboration with the other network operators on sustainability issues.

What were the outcomes?

Adopted new business goal to become **Carbon Neutral by 2050**.

Adopted new business goal to divert **95%** of waste from landfill by 2023.

Comprehensive sustainability strategy informed by our stakeholders and panels with Sustainability Drivers **aligned with UN Sustainable Development Goals**.

Collaboration on industry-leading environmental product declaration project.

Planning Magazine Award Finalist for Wrexham Living Landscapes project.

As well as reducing our own impacts on climate change, our strategy ensures that our network is designed and maintained to avoid the worst effects of climate change, such as flooding and wind damage.

Strong commitments to reduce our reliance on materials that can negatively affect the environment, and to increase re-use and recycling rates of the materials we use in our daily work.



And that's not all...

We're working in partnership with Scottish Wildlife Trust and World Forum on Natural Capital to develop and test a natural capital assessment. This assessment will seek to understand risks and opportunities relating to natural resources around network equipment, such as flooding, vegetation management, community access to land and biodiversity.



Education and future workforce

Stakeholders want us to share our experience and support young people in their communities to pursue positive work and educational opportunities, and we also need to recruit from our local areas to renew our workforce. This year we have been more creative and more innovative to reach more of our future workforce.

What did we do?

Partnership: Liverpool City Council & Local Enterprise Partnership to encourage young people into work.

Support: Developing the Young Workforce scheme rolled out in our hard to recruit areas – recruitment engagement and mentoring in partnership with Chambers of Commerce.

Collaboration: Glasgow Science Centre – extensive engagement to develop exhibition and Science, Technology Engineering and Maths (STEM) materials.

Community engagement: RCG and Wales Under 20's partnership and community programme

Positive destinations: scaled up our innovative programme to assist high school pupils into further education or work.

What were the outcomes?

Using varied and innovative engagement we reach local areas to recruit and engage with our potential workforce of the future:

Over **15,000** pupils reached through our schools programmes, in 2017/18 we expect a significant increase due to our new partnerships.

Over **1,000** mock interviews delivered to high school pupils.

Partnership with Liverpool City Council and Liverpool Local Enterprise Partnership to improve employment understanding in areas with historic unemployment problems. Giving practical information about what it's like to be in full-time employment to over **3,000** pupils in these areas.

We received few applicants for our Dumfries and Galloway apprenticeship opportunities, so we partnered with Dumfries and Galloway Chamber of Commerce Developing the Young Workforce scheme resulting in **11** local applicants entering the recruitment process, 3 of which may now be taken on.

Hillside school – Our mentoring helped this school win an award at the Young Enterprise Awards for Learning Support schools in Ayrshire.

Award winning Powering the Future exhibition at Glasgow Science Centre and development of curriculum-linked materials encouraging **320k** people each year to think about a career in STEM.



Strategic Priority: A smart future for energy

The future electricity network will need to become smarter as electricity demand and generation evolves. Customers will be able to connect local renewables and benefit from using local energy, locally. They will have data about their electricity consumption and will want to store and use energy in new and different ways. This smart future for energy is already coming, and we're accelerating the discussions needed to make the transition a smooth one.

Leading with a proactive approach to Smart Meter installation

Smart meters are a key enabler in giving all customers a more active stake in how energy markets operate. But in the shorter-term, our role is more practical – helping to minimise the cost and inconvenience of the rollout. Last year we led the way on our proactive approach to network related interventions. This reduces the number of visits required to install a smart meter in the affected properties and also reduces the overall industry cost, and in turn to consumers. This year we continue to lead the way on this. In addition we have further increased our engagement with suppliers, meter operators and other DNOs.

What did we do?

Established a quarterly stakeholder engagement forum which brings together the main suppliers and meter operators in our area to collaborate on roll-out plans, intervention processes and safety issues.

Collaborated with other DNOs individually and collectively to share best practice and proactively influence industry policies.

Increased our focus on smart metering safety related issues. Developed guidance material to address known issues and carried out investigations following incidents.

What were the outcomes?

SPEN was recognised by BEIS as a DNO that is actively promoting initiatives to improve the customer experience and enhance customer safety.

Led the industry by producing bespoke training videos to raise awareness and drive positive behaviours amongst SMART meter installers to correctly identify and manage particular earthing arrangements and cut out types.

Over the Smart Meter roll out we will proactively prepare an estimated 10k cables in homes and premises in readiness for smart meter installation, removing the need for 10k repeat half-day customer appointments and generating an estimated £2m of industry and customer savings. Potential GB-wide benefits of £20m if all DNOs replicate this initiative.



From Network Operator to System Operator – accelerating the national discussion

The transition to a smart, flexible system is already underway for us and is no longer a theoretical debate. We now have more than 3GW of Distributed Generation connected, but a further 3GW contracted. We are entering a new era for energy where customers are increasingly also producing electricity. It's important that as we drive towards this future, operators and their networks do not block opportunities for all customers to gain value from locally produced energy. It's crucial that industry debate and policy change accelerates to keep pace with customer needs. We know that the energy citizen of 2030 is inherently hard to reach and promoting active debate in the context of DSO is a sensible, innovative approach to addressing this.

What did we do?

Distribution System Operator steering group: convened an expert group of cross-industry executives to develop our DSO vision.

Strategic and connections panels: 4 in-depth workshops to interrogate our draft vision with a wide variety of interested stakeholders.

Open consultation on our draft vision.

Industry Group and Advisory Panel: Created enduring ENA DNO/TO and SO working groups.

European DSO Committee: SPEN CEO Frank Mitchell chair since 2015.

What were the outcomes?

Recognised as leading the industry on this emerging topic and we were the first DNO to issue a detailed consultation document laying out our draft vision for the evolution from Distribution Network Operator to Distribution System Operator.

Consultation fully developed with stakeholders and panels 17 consultation responses from 8 different sectors, 82% in agreement with our vision for developing towards becoming a DSO, highlighting the commercial and regulatory questions we need to pursue, and enabling us to shape our ground-breaking 'road-map' with positive feedback from Scottish Government and BEIS.

National recognition from Ofgem, our DNO and TO peers and in an extensive Networks Magazine feature.

Accelerated industry discussion on the regulatory and business transformation necessary to ensure that networks continue to provide the service needed by customers into the future.

Leading the formation of a suite of industry working groups on DSO, chairing two out of four groups and represented on steering board.

Extensive involvement in EURELECTRIC European DSO Committee – influencing policy at the highest level.



How we do it: Value, culture, best practice and partnerships

Our customers pay for everything we do, and they rightly expect us to spend that money well. We use a variety of different methods to maximise value for money, we collaborate and form partnerships to deliver services efficiently and we share best practice to replicate economical solutions GB-wide. All of this is possible because of our proactive, forward-facing organisational culture.

Maximising value for money

We have worked hard to develop and extend the ways we use analysis to maximise value for money. We have a strong suite of evaluation and measurement tools for use on every project. We continue to use 'full' and 'light' expressions of Cost Benefit Analysis as appropriate to justify our engagement and the resulting initiatives. We are committed to evaluation and believe it is important to have a flexible approach to measure all types of engagement.

We have spent time benchmarking best practice in evaluation and measurement across utilities and beyond. We have confidence that our approach is helping us target our initiatives to deliver the best outcomes for our stakeholders.

However we are not stopping there – our CEO and Directors have helped develop our new approach to Willingness to Pay and interactive stakeholder conferences. Building on best practice, we're working with relevant experts to develop surveys and econometric analysis to test willingness to pay amongst our stakeholders.

Sharing best practice

Customers benefit when we share best practice to deliver and replicate GB-wide initiatives. We are proud that in our year chairing the DNO Best Practice Group, DNOs have delivered a wide range of useful outcomes for customers.

Sharing our best practice with others

Tractivity engagement system: demonstrated industry-leading stakeholder management system to all DNOs.

DSO: first DNO to publish a detailed and transparent vision for consultation, accelerating industry discussion.

Smart metering: shared our proactive intervention process with all DNOs.

Sustainability: sharing leadership approach industry-wide through working groups.

Replicating others' best practice

Investment maps: building on Northern Powergrid's approach.

Willingness to pay and stakeholder conferences: building on Western Power Distribution's approach for 2017.

A cultural transformation

Our culture change programme has delivered industry-leading improvements in customer service, but we aren't stopping there. We're using the same principles to reinforce our personable, flexible and efficient culture as we look to the future.

Stakeholder Engagement: multi-layered engagement training for all staff, industry-leading Tractivity stakeholder management system enables embedded engagement with clear lines of sight.

Open Innovation: staff across the business involved in 'hatching a challenge', thinking about light, fast innovation close to home.

Asset Management: leading position achieved through everyone having a role to play and access to the information they need.

Sustainability and Environment: multi-layered training for all staff, cementing industry-leadership position.

Our nomination for a culture change award by Utility Week recognises our commitment to continuous improvement & cultural change.

Partnerships and collaboration

The many and varied outcomes featured in this document are just the tip of the iceberg – we owe much of the breadth and depth of our programmes to the strong partnerships and collaboration we build and foster.

Safety and beyond

- ☆ Scottish Association of Young Farmers
- ☆ Rygbi Gogledd Cymru (RGC) and the Wales Under 20s National Rugby Team

Keeping the lights on

- ⊗ Local and national Resilience Partnerships
- ☆ 51 Infantry Brigade – generator towing capacity

Customer service

- ⊗ Customer Service Institute, BSI Standard
- ↔ 7,000 Community Gatekeepers
- ↔ SP Transmission – Ditching our labels

Customer vulnerability

- ↔ Over 100 partner agencies, see Part 3
- ☆ Other DNOs – joint Vulnerability Day

Collaboration for community growth

- ↔ Chambers of Commerce and Enterprise Zones
- ☆ Other DNOs – joint Community Energy Days
- ⊗ Liverpool City Region LEP – future energy

Skills and sustainability

- ☆ Glasgow Science Centre
- ↔ Liverpool Compact – Careers Carousel, world of work
- ⊗ Liverpool City Council
- ↔ Over 10 official Schools Partnerships
- ☆ Rygbi Gogledd Cymru (RGC) Rugby
- ☆ Scottish Wildlife Trust – natural capital

Smart energy future

- ↔ Scottish Enterprise – open innovation
- ⊗ Scotland's Towns Partnerships
- ☆ Smarter Grid Solutions – DSO
- ⊗ IWA Re-energising Wales Steering Group

- ☆ New
- ↔ Improved
- ⊗ Enduring



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